

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made and entered into in the County of Ventura, State of California, this 2nd day of April, 2018, by and between the City of Oxnard, a municipal corporation ("City"), and MILO Range ("Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

WHEREAS, City desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant and/or Consultant's personnel have the qualifications and experience to properly perform such services.

NOW, THEREFORE, City and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish City with professional consulting services as more particularly set forth in Exhibit A attached hereto and incorporated by this reference in full herein (the "Services"). In the event of any conflict between the terms of the Agreement and any exhibits or other incorporated document(s), the terms of the Agreement shall control.

2. Method of Performing Services

Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the Services.

3. Standard of Performance

Consultant agrees to undertake and complete the Services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with the Services to be performed for the City.

5. Coordination of Services

The Services shall be coordinated with Commander Christopher Williams ("Manager"), subject to the direction of the City Manager or Department Manager.

6. Place of Work

Consultant shall perform the Services provided for in this Agreement at any place or location and at such times as the Consultant shall determine.

7. Correction of Errors

Consultant agrees to correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.

8. Principal in Charge

Consultant hereby designates Jesse C. Wimmer as its principal-in-charge and person responsible for necessary coordination with Manager.

9. Permits, Licenses, Certificates

Consultant, at Consultant's sole expense, shall obtain and maintain during the term of this Agreement, all permits, licenses, and certificates required in connection with the performance of the Services, including a City business tax certificate.

10. City's Responsibility

City shall cooperate with Consultant as may be reasonably necessary for Consultant to perform the Services. Manager agrees to provide direction to Consultant as requested regarding particular project requirements.

11. Term of Agreement

This Agreement shall begin on April 30, 2018, and expire on April 30, 2023.

12. Termination

a. This Agreement may be terminated by City without cause if Manager notifies Consultant, in writing, of Manager's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice. City agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on City's behalf, whether for the employment of third parties or otherwise.

b. This Agreement may be terminated by Consultant without cause if Consultant notifies Manager, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such

notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

13. Compensation

- a. City agrees to pay Consultant in an amount not to exceed \$149,511.34 for the Services at rates provided in Exhibits B & C attached hereto and incorporated by this reference in full herein.
- b. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services.
- c. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.
- d. Consultant shall provide Manager with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service.
- e. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

14. Method of Payment

- a. City agrees to pay Consultant monthly upon satisfactory completion of the Services and upon submission by Consultant of an invoice delineating the Services performed, in a form satisfactory to Manager. The invoice shall identify the Services by project as specified by Manager.
- b. Consultant agrees to maintain current monthly records, books, documents, papers, accounts and other evidence pertaining to the Services performed and costs incurred. Such items shall be adequate to reflect the time involved and cost of performing the Services. Consultant shall provide Manager with copies of payroll distribution, receipted bills and other documents requested for justification of the invoice.

15. Responsibility for Expenses

Except as otherwise expressly provided in this Agreement, City shall not be responsible for expenses incurred by Consultant in performing the Services. All expenses incident to the performance of the Services shall be borne by the Consultant, including, but not limited to rent, vehicle, and travel, entertainment and promotion, general liability and health

insurance, workers' compensation insurance, and all compensation and benefits of employees or agents engaged by Consultant. Consultant shall, at its own cost and expense, supply all personal property necessary or appropriate to perform the Services provided for under this Agreement, including, but not limited to any personal property used by employees and agents of Consultant in the performance of such Services.

16. Non-Appropriation of Funds

Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

17. Records

a. Consultant agrees that all final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data and photographs expressly required to be prepared by Consultant as part of the scope of services ("**documents and materials**") shall be the property of City and shall, upon completion of the Services or termination of this Agreement, be delivered to Manager.

b. At City's request, City shall be entitled to immediate possession of, and Consultant shall furnish to Manager within ten (10) calendar days, all of the documents and materials. Consultant may retain copies of these documents and materials.

c. Any substantive modification of the documents and materials by City staff or any use of the completed documents and materials for other City projects, or any use of uncompleted documents and materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant. City agrees to hold Consultant harmless from all damages, claims, expenses and losses arising out of any reuse of the documents and materials for purposes other than those described in this Agreement, unless Consultant consents in writing to such reuse.

18. Maintenance and Inspection of Records

Consultant agrees that City or its auditors shall have access to and the right to audit and reproduce any of Consultant's relevant records to ensure that City is receiving the Services to which City is entitled under this Agreement or for other purposes relating to the Agreement. Consultant shall maintain and preserve all such records for a period of at least three (3) years after the expiration of this Agreement, or until an audit has been completed and accepted by City. Consultant agrees to maintain all such records in City or to promptly reimburse City for all reasonable costs incurred in conducting the audit at a location other than in City, including but not limited to expenses for personnel, salaries, private auditor, travel, lodging, meals and overhead.

19. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Manager.

20. Hold Harmless, Indemnity and Defense

a. For architectural, landscape architectural, engineering or land surveying services only:

(1) To the fullest extent permitted by law, Consultant shall (1) immediately defend; (2) indemnify; and (3) hold harmless City, its City Council, each member thereof, and its directors, officers, and employees (the “**Indemnified Party**”) from and against all liabilities regardless of nature, type or cause that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant, or its employees, agents or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, allegations, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys’ fees; court costs; and costs of alternative dispute resolution (singularly a “**Claim**” and collectively the “**Claims**”). If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of the Indemnified Party, then Consultant’s indemnification obligation shall be reduced in proportion to the established comparative liability.

(2) The duty to defend is a separate and distinct obligation from Consultant’s duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Consultant are responsible for the liability shall not relieve Consultant from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of the Indemnified Party, Consultant may submit a claim to City for reimbursement of reasonable attorneys’ fees and defense costs.

b. For all other Services:

(1) To the fullest extent permitted by law, Consultant shall (1) immediately defend; (2) indemnify; and (3) hold harmless the Indemnified Party from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with Consultant’s performance of this Agreement or Consultant’s failure to comply with any of its obligations contained in this Agreement. Liabilities subject to the duties to defend and

indemnify include, without limitation, all Claims. If it is finally adjudicated that liability is caused by the comparative negligence or willful misconduct of the Indemnified Party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

(2) The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Consultant from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of the Indemnified Party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

c. For services under both 21a and 21b, the review, acceptance or approval of Consultant's work or work product by the Indemnified Party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section shall survive completion of the Services or termination of this Agreement. The provisions of this Section shall not be restricted by and do not affect the provisions of this Agreement relating to insurance.

21. Insurance

a. Consultant shall obtain and maintain during the performance of the Services the insurance coverages as specified in Exhibit INS-B, attached hereto and incorporated herein by this reference, issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages.

b. Consultant shall, prior to performance of the Services, file with the Risk Manager evidence of insurance coverage as specified in Exhibit INS-B. Evidence of insurance coverage shall be forwarded to the Risk Manager, addressed as specified in Exhibit INS-B.

c. Maintenance of proper insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide evidence of renewal may be considered as a material breach of this Agreement.

22. Independent Contractor

a. City and Consultant agree that in the performance of the Services, Consultant shall be, and is, an independent contractor, and that Consultant and its employees are not

employees of City. Consultant has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Consultant.

b. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

c. Consultant acknowledges that Consultant and Consultant's employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

23. Consultant Not Agent

Except as Manager may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of City in any capacity, as agents or otherwise, or to bind City to any obligation.

24. Conflict of Interest

If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a "**governmental decision**" as described in Title 2, section 18704 of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement.

25. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Manager, which consent may be withheld for any reason.

26. Successors and Assigns

Consultant and City agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and City.

27. Fair Employment Practices

- a. Consultant agrees that all persons employed by Consultant shall be treated equally by Consultant without regard to or because of race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law, and in compliance with all antidiscrimination laws of the United States of America, the State of California, and City.
- b. Consultant agrees that, during the performance of this Agreement, Consultant and any other parties with whom Consultant may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.
- c. Consultant agrees to state in all of its solicitations or advertisements for applicants for employment that all qualified applicants shall receive consideration for employment without regard to their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.
- d. Consultant shall provide City staff with access to and, upon request by Manager, provide copies to Manager of all of Consultant's records pertaining or relating to Consultant's employment practices, to the extent such records are not confidential or privileged under State or federal law.

28. Force Majeure

Consultant and City agree that neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

29. Time of Essence

Consultant and City agree that time is of the essence in regard to performance of any of the terms and conditions of this Agreement.

30. Covenants and Conditions

Consultant and City agree that each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

31. Governing Law

City and Consultant agree that the construction and interpretation of this Agreement and the rights and duties of City and Consultant hereunder shall be governed by the laws of the State of California.

32. Compliance with Laws

Consultant agrees to comply with all City, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the Services performed by Consultant pursuant to this Agreement.

33. Severability

City and Consultant agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

34. Waiver

City and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or City shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either City or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

35. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

36. Arbitration

Consultant and City agree that in the event of any dispute with regard to the provisions of this Agreement, the Services rendered or the amount of Consultant's compensation, the dispute may be submitted to non-binding arbitration upon the mutual agreement of the parties, under such procedures as the parties may agree upon, or, if the parties cannot agree, then under the Rules of the American Arbitration Association.

37. Expenses of Enforcement

Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney Office) and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

38. Authority to Execute

a. City acknowledges that the person executing this Agreement has been duly authorized by the City Council to do so on behalf of City.

- b. Consultant acknowledges that the person executing this Agreement has been duly authorized by Consultant to do so on behalf of Consultant.

39. Notices

- a. Any notices to Consultant may be delivered personally or by mail addressed to Jesse C. Wimmer, 1229 Oak Valley Drive, Ann Arbor, MI 48108, Attention: Jesse C. Wimmer.
- b. Any notices to City may be delivered personally or by mail addressed to City of Oxnard, Oxnard Police Department, 251 South "C" Street, Oxnard, California 93030, Attention: Commander Christopher Williams.

40. Amendment

City and Consultant agree that the terms and conditions of the Agreement may be reviewed or modified at any time. Any modifications to this Agreement, however, shall be effective only when agreed upon to in writing by both the City representative authorized to do so under the City's purchasing policies and Consultant.

41. Entire Agreement

City and Consultant agree that this Agreement constitutes the entire agreement of the parties regarding the subject matter described herein and supersedes all prior communications, agreements, and promises, either oral or written.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

CONSULTANT

Tim Flynn 5/8/18
☐ Tim Flynn, Mayor (if agreement is \$250,000.01 or more) Date

Dean Krutty, CEO Date

☐ Scott Whitney, Interim City Manager (if agreement is \$25,000.01-\$250,000.00)
☐ Lisa Boerner, Purchasing Agent (if agreement is up to \$25,000.00)

ATTEST:

Kelli Keller, CFO Date

Michelle Ascencion 5/8/18
Michelle Ascencion, City Clerk Date
 (if agreement is \$250,000.01 or more)

APPROVED AS TO FORM:

Stephen M. Fischer 04/05/18
Stephen M. Fischer, City Attorney Date
 (required for any agreement amount)

APPROVED AS TO CONTENT:

Christopher Williams 5/8/18
Christopher Williams, Project Manager Date

Scott Whitney 4/11/18
Scott Whitney, Chief of Police Date

APPROVED AS TO AMOUNT:

Scott Whitney 4/11/18
Scott Whitney, Interim City Manager Date
 (if agreement is \$250,000.01 or more)

APPROVED AS TO INSURANCE:

Mike More, Risk Manager Date

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT
REMOVE THIS BOX

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CITY OF OXNARD

CONSULTANT

☐ Tim Flynn, Mayor (if agreement is \$250,000.01 or more) _____ Date _____

☐ Scott Whitney, Interim City Manager (if agreement is \$25,000.01-\$250,000.00)
☐ Lisa Boerner, Purchasing Agent (if agreement is up to \$25,000.00)

ATTEST:

 Michelle Ascencion, City Clerk
 (if agreement is \$250,000.01 or more) _____ Date _____

APPROVED AS TO FORM:

 Stephen M. Fischer, City Attorney
 (required for any agreement amount) _____ Date _____

APPROVED AS TO CONTENT:

 Christopher Williams, Project Manager _____ Date _____

 Scott Whitney, Chief of Police _____ Date _____

APPROVED AS TO AMOUNT:

 Scott Whitney, Interim City Manager (if agreement is \$250,000.01 or more) _____ Date _____

APPROVED AS TO INSURANCE:

 Mike More, Risk Manager _____ Date 4/14/18

 Dean Krutty, CEO _____ Date 4/9/18

 Kelli Keller, CFO _____ Date 4/9/18
 Kellon

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT
 REMOVE THIS BOX

Agreement No. 8164-17-PO

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

CONSULTANT

☐ Tim Flynn, Mayor (if agreement is \$250,000.01 or more) _____ Date _____

☐ Scott Whitney, Interim City Manager (if agreement is \$25,000.01-\$250,000.00)
☐ Lisa Boerner, Purchasing Agent (if agreement is up to \$25,000.00)

ATTEST:

Michelle Ascencion, City Clerk _____ Date _____
(if agreement is \$250,000.01 or more)

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney _____ Date _____
(required for any agreement amount)

APPROVED AS TO CONTENT:

C. Williams #5087 4/11/18 for
Christopher Williams, Project Manager _____ Date _____

Scott Whitney, Chief of Police _____ Date _____

APPROVED AS TO AMOUNT:

Scott Whitney, Interim City Manager (if agreement is \$250,000.01 or more) _____ Date _____

APPROVED AS TO INSURANCE:

Mike More, Risk Manager _____ Date _____

[Signature] 4/9/18
Dean Krutty, CEO _____ Date _____

[Signature] 4/9/18
Kelli Keller, CFO _____ Date _____
12/10/17

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT
REMOVE THIS BOX

EXHIBIT A

SCOPE OF SERVICES

In addition to the purchased equipment listed on the proposal (marked Exhibit C), MILO Range (“Consultant”) agrees to deliver and install the “MILO Range Theater 180 Multi-Screen Training Simulator” as follows:

Installation

MILO Range or subcontractor will perform on-site installation in coordination with end-user to install all system hardware, configure all system software, and confirm system readiness for training. The installation service shall include the supply of all cabling, mounts, connectors, adapters, supplies and tools necessary for locally compliant installation and proper operation of the system according to the equipment manufacturer and the contract. Installation will typically take 3 full days for each system and will commence once the site is confirmed ready and available. Installation coordination shall include confirmation of site readiness, dates of work performance, personnel to perform work, POCs for task, and an installation report including any follow up tasks necessary prior to system training. As there are multiple systems at most locations, and the installation and training was requested as a quantity 1, MILO Range has proposed and priced the effort such that all systems will be installed in one installation effort at each site.

The delivery and installation will be at the Oxnard Police Department’s training facility located at 3001 Sturgis Road, Oxnard, CA 93030. The date of delivery and installation will be mutually agreed upon by both parties.

Upon the completion of the installation, MILO Range will set up three separate dates for training the Oxnard Police Department personnel. The training will be as follows:

System Training

MILO Range technician or factory-authorized subcontractor will perform on-site end-user train-the-trainer product course for operation and maintenance of the system and accessories. Training will minimally cover the following topics:

- System startup and equipment check procedures
- Starting, Running and Reviewing training sessions
- How to localize/adapt targets and exercises
- System troubleshooting
- Equipment maintenance & repairs
- Concepts and planning video-based training scenarios
- How to film and import 4k/UHD video for scenarios
- How to define branching for instructor actions and student weapon use
- How to define hit zones, scoring and assessment criteria
- How to package and distribute scenarios to other systems

Students will be given a pre and post course test to demonstrate knowledge learned, as well as a copy of the training course syllabus. Training certificates will be issued by FAAC for each trainee after course completion.

EXHIBIT B

COMPENSATION RATES

MILO Range Theater 180 System Sub-Total	\$84,995.00
MILO Range Theater 180 Requested Options Sub-Total	\$43,390.00
MILO Range Theater 180 Requested Extended Warranty Sub-Total	\$19,257.75
MILO Range Theater 180 System Total for Oxnard Police Department	\$147,642.75
MILO Range Offered Discount for System	(\$7,500.00)
Applicable State and Local Taxes for Oxnard, California at 7.75% (of \$120,885.00)	\$9,368.59
Total System Cost for Oxnard Police Department	\$149,511.34

Price includes installation and system training detailed in "Exhibit A"*

Exhibit C

MILO RANGE THEATER 180 MULTI-SCREEN TRAINING SIMULATOR				
Item	Description	Qty.	Unit Price	Extended Price
1	<p>MILO Range Theater 180 HD system with Multi-Directional Sound MILO Rack mount CPU Station <i>Instructor Station</i> with 2 LCD monitors for software control and real-time view of HD TAC camera Desk and Chair for Instructor Station Mounting system and/or ceiling mounts <i>as needed</i> <u>Requires minimum space of 23'x20' with 9' ceilings</u> MILO suggests 35' x 30' Space Three HD Short-throw Projectors 180-degree <u>borderless</u> screen 30'L x 6' 5"H 8-device Laser Weapon & Flashlight Detection Modules All Power and Video Cables Keyboard and Optical Mouse Multi-Directional Sound System 850+ Multi-Branching Interactive Single Screen Scenarios are Pre-loaded as well as 55+ Skill Builder exercises 50+ Multi-Screen Scenarios</p> <p>FREE Access to MILO Digital Scenario New HD Scenarios available (approx. 12-15 per quarter), along with new multi-screen scenarios.</p> <p>Course Designer Program The Course Designer Program is editing software program that can be used to create lessons, tests and presentations for classrooms, auditoriums, and training rooms or for one on one instruction. Allows the user to utilize both high definition digital video and computer graphics capabilities to create fully interactive training videos and/or graphics based training environments. Customer can also create custom HD, multi-screen scenarios. Includes: 4K Camcorder for custom end-user scenario filming.</p> <p>Dry-Fire Laser Training Inserts System includes two (2) Replica Glock Training Weapons (ATF non-gun)</p> <p>OC Spray Training Devices Laser modified OC spray training devices for less-lethal applications. Thumb or trigger activation. Includes two (2) OC Laser Canisters</p> <p>Low Light Training Program Allows the trainee to use real flashlight in-conjunction with his/her weapon for low light training. This system is non-lane based which allows for multiple users. Includes two (2) MILO-supplied Flashlights</p> <p>Trainee Action Capture (TAC) with Picture-in-Picture Video/Audio Debrief Audio and color HD video capture of trainee's actions in a scenario for immediate (or later) debriefing and review.</p> <p>Graph-X Targets Allows the user to utilize any of the Graph-X modules for Marksmanship, Shoot-house, Basic Targets and Range Practice includes 55+ interactive CGI skill-builder exercises</p> <p>Statistics and Management Allows user to manipulate the database information as to create individual and/or group statistics using relevant filtering criteria</p>	1	\$84,995.00	\$84,995.00
		Inc.		
		Inc.		
		Inc.		
		Inc.		
		Inc.		
		Inc.		
		Inc.		
		Inc.		

	Baton/Punch/Strike Branching and Scoring Allows the trainer to manually branch the scenario while the trainee uses his actual baton or makes a strike. The system will branch and score the use of action as a baton strike.	Inc.	
	Delivery, Insurance and Standard 2-year Warranty	Inc.	
	Custom System Set-Up and Install at Customer Site (US Sales Only)	Inc.	
	System and Peripheral Training (US sales only) MILO will provide user training for four students at customer site. Training to occur separately from system setup/installation.	Inc.	
(A)	MILO RANGE THEATER 180 TRAINING SYSTEM TOTAL:		\$84,995.00

Optional Training Items Requested by Oxnard Police Department				
Item	Description	Qty.	Unit Price	Total Price
2	WRK Recoil Kit- Pistol (Sig Sauer P320) Drop-In tether-less recoil kit with two (2) CO2 disposable magazines. No permanent modification to weapon required. *Kit does <u>not</u> include weapon	6	\$2,200.00	\$13,200.00
3	Additional WRK Refill Magazines for Recoil Sig Sauer Pistol (3x per weapon)	6	\$395.00	\$2,370.00
4	WRK Recoil Kit- Pistol (Glock 21) Drop-In tether-less recoil kit with two (2) CO2 disposable magazines. No permanent modification to weapon required. *Kit does <u>not</u> include weapon	2	\$2,200.00	\$4,400.00
5	Additional WRK Refill Magazines for Recoil Glock 21 Pistol (3x per weapon)	2	\$395.00	\$790.00
6	WRK Recoil Kit- AR/M4 Drop-In tether-less recoil kit with two (2) CO2 disposable magazines. No permanent modification to weapon required. *Kit does <u>not</u> include weapon	4	\$2,400.00	\$9,600.00
7	Additional WRK Refill Magazines for Recoil AR/M4 (3x per weapon)	4	\$395.00	\$1,580.00
8	Pump Action Shotgun Laser Insert for Slugs and Buckshot Also provides Taser XREP application training. *Does <u>not</u> include weapon	4	\$795.00	\$3,180.00
9	X26P TASER Laser Weapon w/ TWO cartridges: Includes: Taser weapon modified for use on the MILO Range and two (2) dual-laser cartridges with 8 degree separation for reloading drills.	2	\$2,495.00	\$4,990.00
10	Armorer's Kit for WRK Combo Recoil Weapon Kits	1	\$495.00	\$495.00
11	WRK Refill Station for Refillable Co2 Magazines with Mag Sled (P320) Station includes Co2 Tank, all air cabling, and one sled for refillable magazines.	1	\$1,995.00	\$1,995.00
12	Additional WRK Magazine Sled for Refill Station (Glock 21)	1	\$395.00	\$395.00
13	Additional WRK Magazine Sled for Refill Station (AR/M4)	1	\$395.00	\$395.00
(B)	REQUESTED OPTIONAL TRAINING ITEMS TOTAL:			\$43,390.00

Extended Warranty Information and Pricing for MILO Range Theater Product				
Item	Description	Qty.	Unit Price	Total Price
14	Bronze Warranty Coverage (for Years 3, 4, and 5) - Based on 5% of initial system cost plus peripherals (\$128,385.00) - Bronze Warranty coverage is for 12 months - Warranty covers all items (excludes batteries and bulbs) - Bronze Warranty can be purchased in 1-Year Increments	3	\$6,419.25	\$19,257.75
(C)	REQUESTED OPTIONAL EXTENDED WARRANTY TOTAL:			\$19,257.75

MILO Range Theater 180 System Sub-Total (A):	\$84,995.00
MILO Range Theater 180 Requested Options Sub-Total (B):	\$43,390.00
MILO Range Theater 180 Requested Extended Warranty Sub-Total (C):	\$19,257.75
MILO Range Theater 180 System Total for Oxnard Police Department (A+B+C):	\$147,642.75
MILO Range Offered Discount for System (D):	(\$7,500.00)
Applicable State and Local Taxes for Oxnard, California at 7.75% (of \$120,885.00) (E):	\$9,368.59
Total System Cost for Oxnard Police Department (A+B+C)-(D)+(E):	\$149,511.34*

*Sales tax will be charged at the current rate at time of shipment

-See Important Terms and Conditions-

FAAC(Seller) STANDARD TERMS AND CONDITIONS

Orders should be issued to "FAAC Incorporated"

1. Payment Terms: NET 30 from date of invoice
2. Delivery: 75 Days ARO
3. Partial Shipment and/or Partial Invoice are: Permitted.
4. Warranty: 24 Months from date of shipment.
5. If this sale is subject to Use Tax, then you are liable for the tax and should make payment direct to your taxing authority.
6. However, we may collect Sales Tax for the following States: CA, FL, HI, KY, MA, MI, NY, UT, WA, WV
7. Quote Valid 90 days.
8. All prices quoted in US Dollars (\$USD)

PURCHASING/CONTRACTING INFORMATION

1. Cage Code - 3J401
2. Tax ID - 38-2690218
3. DUNS - 175204163
4. Vendor POC - MILO Contracts
5. Phone - 800-344-1707
6. Email - Contracts@faac.com
7. Estimated Delivery Date - 75 Days ARO
8. Order Fax to 734.531.4002

1229 Oak Valley Dr, Ann Arbor, MI 48108
www.milorange.com

FAX 734 531 4002
Toll Free 800 344 1707

EXHIBIT INS-11
INSURANCE REQUIREMENTS



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER		CONTACT: Cathy Stannis	
Daly Merritt Insurance		PHONE: (734) 283-1400	FAX: (734) 283-1197
3099 Biddle Avenue		INSURER A: Allstate	INSURER B: Allstate
Wyandotte MI 48192		INSURER C: The Hanover Ins. Co.	
INSURED		INSURER D:	
FAAC Incorporated		INSURER E:	
1229 Oak Valley Drive		INSURER F:	
Ann Arbor MI 48108-9675		NAIC #	
		36064	
		41840	
		22292	

COVERAGES

CERTIFICATE NUMBER: C11742713074

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURER	TYPE OF INSURANCE	ADDITIONAL INSURED	POLICY NUMBER	POLICY PERIOD (MM/DD/YYYY)	POLICY EXPIRATION (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO. <input type="checkbox"/> JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:		ZZB-D238395-00	5/1/2017	5/1/2018	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (EA Occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Property damage Buyback \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS		AMB-D239115-00	5/1/2017	5/1/2018	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (EA Occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Property damage Buyback \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB EXCESS LIAB RETENTION \$ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in MI) If yes, describe under DESCRIPTION OF OPERATIONS below		DEB-D238396-00	5/1/2017	5/1/2018	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (EA Occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Property damage Buyback \$
C	<input checked="" type="checkbox"/> Professional Liability		LEB-D238397-00	5/1/2017	8/1/2018	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (EA Occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ 1,000,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Property damage Buyback \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City of Oxnard, its City Council, Officers, employees and volunteers are listed as additional insured with respects to the General Liability and Auto Liability.

CERTIFICATE HOLDER

CANCELLATION

City of Oxnard
Attn: Risk Manager
300 W. Third Street
Ste 302
Oxnard, CA 93030

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Kyle O'Malley/STANNI

Additional Named Insureds

Other Named Insureds

Arotech Corporation as it relates to FAAC

Milo Range Training Systems, A Division of FAAC

Realtime Technologies, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;
 - (2) Premises you own, rent, lease or occupy; or
 - (3) Your maintenance, operation or use of equipment leased to you.
- b. The insurance afforded to such additional insured described above:
 - (1) Only applies to the extent permitted by law; and
 - (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

(3) Applies on a primary basis if that is required by the written contract, written agreement or permit.

(4) Will not be broader than coverage provided to any other insured.

(5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.

c. This provision does not apply:

(1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".

(2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.

(3) To any lessor of equipment:

(a) After the equipment lease expires; or

(b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor

(4) To any:

(a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or

(b) Managers or lessors of premises if:

(i) The occurrence takes place after you cease to be a tenant in that premises; or

(ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.

(5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III - LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

1. Required by the contract, agreement or permit described in Paragraph a.; or

2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

2. **Additional Insured - Primary and Non-Contributory**

The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other Insurance:

Additional Insured - Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II - WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. **Primary Insurance**

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

(1) For the sole negligence of the Additional Insured;

(2) When the Additional Insured is an Additional Insured under another primary liability policy; or

(3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of SECTION I - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

3. Blanket Waiver of Subrogation

The following is added to SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

4. Bodily Injury Redefined

SECTION V - DEFINITIONS, Definition 3. "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

5. Broad Form Property Damage - Borrowed Equipment, Customers Goods, Use of Elevators

a. SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to SECTION V - DEFINITIONS:

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

6. Knowledge of Occurrence

The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

7. Liberalization Clause

The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

Liberalization Clause

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

8. Medical Payments - Extended Reporting Period

- a. **SECTION I - COVERAGES, COVERAGE C - MEDICAL PAYMENTS, Paragraph 1. Insuring Agreement, subparagraph a.(3)(b)** is replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident; and

- b. This coverage does not apply if **COVERAGE C - MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

9. Newly Acquired Or Formed Organizations

SECTION II - WHO IS AN INSURED, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

10. Non-Owned Watercraft

SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions, subparagraph 9.(2) is replaced by the following:

- g. **Aircraft, Auto Or Watercraft**

- (2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

11. Supplementary Payments Increased Limits

SECTION I - SUPPLEMENTARY PAYMENTS COVERAGES A AND B, Paragraphs 1.b. and 1.d. are replaced by the following:

- 1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

- 1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

12. Unintentional Failure to Disclose Hazards

The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 6. Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

13. Unintentional Failure to Notify

The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART

A. The following is added to SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who is An Insured:

Additional Insured If Required by Contract

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, such person or organization is an "insured"; but only to the extent that such person or organization qualifies as an "insured" under paragraph A.1.c. of this Section.

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, the most we will pay on behalf of such additional "insured" is the lesser of:

- (1) The Limits of Insurance for liability coverage specified in the written contract, written agreement or written permit; or
- (2) The Limits of Insurance for Liability Coverage shown in the Declarations applicable to this Coverage Part.

Such amount shall be part of and not in addition to the Limits of Insurance shown in the Declarations applicable to this Coverage Part. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

B. The following is added to SECTION IV - BUSINESS AUTO CONDITIONS, Paragraph B. General Conditions, subparagraph 5. Other Insurance:

Primary and Non-Contributory

If you agree in a written contract, written agreement or written permit that the insurance provided to a person or organization who qualifies as an additional "insured" under SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who is An Insured, subparagraph Additional Insured If Required by Contract is primary and non-contributory, the following applies:

The liability coverage provided by this Coverage Part is primary to any other insurance available to the additional "insured" as a Named Insured. We will not seek contribution from any other insurance available to the additional "insured" except:

- (1) For the sole negligence of the additional "insured"; or
 - (2) For negligence arising out of the ownership, maintenance or use of any "auto" not owned by the additional "insured" or by you, unless that "auto" is a "trailer" connected to an "auto" owned by the additional "insured" or by you; or
 - (3) When the additional "insured" is also an additional "insured" under another liability policy.
- C. This endorsement will apply only if the "accident" occurs:
1. During the policy period;
 2. Subsequent to the execution of the written contract or written agreement or the issuance of the written permit; and
 3. Prior to the expiration of the period of time that the written contract, written agreement or written permit requires such insured to be provided to the additional "insured".
- D. Coverage provided to an additional "insured" will not be broader than coverage provided to any other "insured" under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.